

ASSEMBLY BILL

No. 1618

Introduced by Assembly Member Klehs

February 22, 2005

An act to amend Sections 451 and 452 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1618, as introduced, Klehs. Use tax collection: property tax statements: purchases of personal property.

(1) The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. Existing law requires retailers, as specified, to register with, and to obtain a seller's permit from, the State Board of Equalization. The State Board of Equalization issues forms for the computation and payment of sales and use taxes collected or owed by those retailers. There is no requirement for persons, other than retailers that owe use taxes, to register with the State Board of Equalization. Consequently, those persons do not receive forms for the computation and payment of use taxes.

Existing property law requires each person owning taxable personal property, with an aggregate cost of \$100,000 or more, to file a signed property statement with the county assessor. Existing law provides that the State Board of Equalization shall prescribe the information that is required to be included in the personal property statement. Existing law provides that the information contained in the personal property statement shall not be open for public inspection.

This bill would require that a personal property statement include information regarding a person's responsibility for payment of sales or

use taxes, and would request information with respect to that person's acquisition of tangible personal property for which sales or use tax, as applicable, has not been paid. This bill would require the county assessor to forward this information to the State Board of Equalization.

(2) This bill, by imposing new duties on a county assessor, would constitute a state-mandated program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 451 of the Revenue and Taxation Code
2 is amended to read:

3 451. ~~At~~ (a) *Except as provided in subdivision (b), all*
4 *information requested by the assessor or furnished in the property*
5 *statement shall be held secret by the assessor. The statement is*
6 *not a public document and is not open to inspection, except as*
7 *provided in Section 408.*

8 (b) *The assessor shall provide the State Board of Equalization*
9 *with any information requested by the assessor or furnished with*
10 *the property statement concerning purchases or acquisitions of*
11 *tangible personal property for which tax reimbursement or use*
12 *tax, as applicable, was not paid or remitted to the State Board of*
13 *Equalization.*

14 SEC. 2. Section 452 of the Revenue and Taxation Code is
15 amended to read:

16 452. (a) For the assessment year beginning in 1968 and each
17 assessment year thereafter, the board shall prescribe in detail the
18 content of property statements, including the specific wording, to
19 be used by all assessors in the several counties, and cities and
20 counties, and shall notify assessors of those specifications no

1 later than the August 31 prior to the tax lien date on which they
2 become effective. Each assessor shall incorporate the
3 specifications on the exact form he or she proposes to use and
4 submit that form to the board for approval prior to use. The
5 property statement shall not include any question that is not
6 germane to the ~~assessment function~~ assessor's tax administration
7 functions.

8 *(b) In addition to the specifications required by subdivision*
9 *(a), the property tax statement shall include a request for*
10 *information concerning an assessee's purchases or acquisitions*
11 *of tangible personal property for which sales tax reimbursement*
12 *or use tax, as applicable, was not paid or remitted to the State*
13 *Board of Equalization. The property tax statement shall be*
14 *accompanied with information regarding a person's sales and*
15 *use tax obligations with respect to the purchase and acquisition*
16 *of tangible personal property.*

17 SEC. 3. If the Commission on State Mandates determines that
18 this act contains costs mandated by the state, reimbursement to
19 local agencies and school districts for those costs shall be made
20 pursuant to Part 7 (commencing with Section 17500) of Division
21 4 of Title 2 of the Government Code.